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UNITED WAY: THE FALLOUT AFTER THE FALL

As the charity's national president leaves under fire, local groups scramble to regain donor support

By ANNE LOWREY BAILEY and BRUCE MILLAR

NON-PROFIT OFFICIALS across the country are struggling to blunt public indignation and restore confidence in the nation's charities in the wake of a bitter controversy over the management of United Way of America.

William Aramony, who ran the organization for 22 years, stepped down amid widespread criticism of his $463,000 compensation package and his management and financial practices. News reports about Mr. Aramony's salary, his use of first-class air travel and limousines, and his efforts to place close associates in jobs at United Way of America and related organizations had prompted harsh complaints from many donors as well as the local United Ways that pay dues to the national organization.

Mr. Aramony refused to talk to *The Chronicle of Philanthropy* about the allegations, but he has denied that he committed any serious improprieties.

The barrage of mostly negative publicity has officials at many of the nation's 2,100 locally controlled United Ways groping for ways to calm angry donors. United Way has been scored in numerous newspaper editorials and become a popular target for cartoonists and television commentators.

Local United Ways are also trying to reassure leaders of the more than 40,000 charities that receive United Way aid, many of which fear their organizations will suffer if the nation's largest federated fund drive sees a substantial drop in giving. Even before the controversy, many United Ways had trouble with their fund raising, primarily because of the recession. Last year, United Ways raised $3.1-billion.

Nearly 100 local United Ways, including many of the largest ones, have announced that they will withhold their dues until United Way of America has fully disclosed information about its management and finances and those of affiliate organizations. Four of the United Ways that initially threatened to withhold their dues said they would pay, now that Mr. Aramony has departed.

About 1,400 United Ways pay annual dues of about 1 per cent of their total contributions to United Way of America.

Controversy Could Hurt All Charities

Even at non-profit organizations that have little to do with United Way, officials said they worried that giving would suffer. Said Frederick C. Nahm, vice-president for development and university relations at the University of Pennsylvania: "United Way is for many people the symbol of philanthropy in America. And right now, their donors have the perception, 'I've given my money to an organization that's spending money on all kinds of things that aren't directly benefiting charity.' "

Some local United Way officials and major donors said that Mr. Aramony's resignation would not be enough to restore public confidence. They said they would not be appeased until several questions were answered, among them:

► Did the United Way of America board exercise sufficient control over Mr. Aramony and the organi-

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John F. Akers, chairman of IBM and the United Way of America board, last week met with United Way staff members to show his support for their efforts to deal with controversy surrounding the charity federation.

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STEVE LEONARD, FOR THE CHRONICLE

Going Against the Grain

Richard Dennis (*above*), a commodities trader, says he's using the same "contrarian" philosophy to give his fortune away that he used in amassing it. Story on Page 7.

Hangups About Phone Deals

Long-distance phone companies are offering special deals to charities, but many groups say the arrangements are not worth the trouble. Story on Page 24.

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8 Scholars who study non-profits are discussing the creation of an international organization of researchers.

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35 The leader of the international organization of Boy Scouts has backed a ban on homosexuals.

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41 **Non-profit boards are becoming too much like their corporate counterparts, mere accessories of management, says columnist Pablo Eisenberg.**

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10 The man who created the Templeton Prize in religion is a financier who gives away $5-million a year to charities and spends countless hours in fund raising. He also thinks non-profits could be much savvier investors.

8 A California court has delayed action on a controversial bequest to the Church of Christ, Scientist.

8 A Baltimore man will donate a ranch he owns in Kenya for research on wildlife.

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Campaign Update

Status and recent results of drives for endowments and capital improvements

	Started or announced	To conclude	Goal	Amount raised
Beverly Hospital (Mass.)	Sept. 1988	Oct. 1991	$1,300,000	$1,356,000
Broward Community College Foundation (Fla.)	Jan. 1989	Dec. 1991	2,500,000	2,583,323
Case Western Reserve U. (Ohio)	Fall 1989	Fall 1994	350,000,000	257,000,000
Clemson U. (S.C.)	June 1987	June 1992	78,000,000	82,525,851
Guild for the Blind (Ill.)	June 1991	Jan. 1992	100,000	102,000
John Carroll U. (Ohio)	Fall 1990	Dec. 1995	40,000,000	16,500,000
Quinnipiac College (Conn.)	Sept. 1991	June 1993	7,000,000	5,400,000
U. of Houston System	March 1992	Aug. 1995	350,000,000	200,853,000

IN BRIEF: Fund Raising

Salvation Army Drive Raised 6% More in 1991

The Salvation Army's Christmas fund-raising campaign raised $159.2-million last year, up 6 per cent over the 1990 total.

The increase was led by a successful "Christmas kettles" campaign, through which army bell ringers raised $52.8-million, an increase of almost $6-million over the year before.

The army's direct-mail campaign raised $86-million last year, down from $87-million the year before. Other income accounted for almost $20-million, up from $15.4-million in 1990.

The army said it had served 7.1 million people during the six-week holiday period, an increase of 9 per cent over the previous year.

Muscular Dystrophy Event Fuels Controversy

The entertainer Jerry Lewis, host of the Muscular Dystrophy Association's annual Labor Day Telethon, has accused a top federal official of unjustly criticizing his effort and has forced the White House to disavow the official's remarks.

In an appearance on NBC-TV's "A Closer Look" talk show, Evan Kemp, chairman of the Equal Employment Opportunity Commission, said that the "biggest barrier to hiring disabled people is attitudinal barriers" and that the telethon perpetuated those barriers.

In a letter to Mr. Lewis, Mr. Kemp, who has a form of muscular dystrophy, accused the entertainer of using a "pity approach" to helping disabled people that "hinders our attempts to be mainstreamed into society."

Mr. Lewis, who is the Muscular Dystrophy Association's national chairman, complained in a letter to President Bush that Mr. Kemp's televised remarks had had a "severely demoralizing effect on me and MDA staff and volunteers," and "exacerbated the fund-raising shortfall we already faced as a result of the recession."

Mr. Lewis asked President Bush for a "categorical disavowal of Mr. Kemp's assault on MDA."

Having received no reply from the President, Mr. Lewis sent a letter to the White House chief of staff, Samuel K. Skinner, in which the entertainer threatened to "go before 90 million viewers to defend MDA against an attack being waged" by Mr. Kemp. "Nothing would be more abhorrent to me than to have to tell the show's audience that I sought the President's help on behalf of 'my kids' and the tens of thousands of adults served by MDA and was ignored," Mr. Lewis wrote.

In a letter to Mr. Lewis, Mr. Skinner said that Mr. Kemp's views "are his own and do not reflect the position of the Bush Administration."

New Fund-Raising Measure Weighed in Massachusetts

Massachusetts lawmakers are considering a bill aimed at tightening restrictions on professional solicitors who raise money for charities.

The bill would also eliminate parts of the commonwealth's charitable-solicitations law—such as the requirement that solicitors obtain a certificate from the state before raising money for a charity—that are similar to those found unconstitutional by the U.S. Supreme Court.

The legislation is pending before the Joint Committee on Commerce and Labor, which consists of members of both houses of the legislature.

If passed, the legislation would:

- ► Prohibit fund raisers from controlling a charity or participating in its creation or operations.
- ► Require contracts between a solicitor and a charity to be fair and reasonable, to specify how much money the charity is to receive, and to certify that the charity has reviewed and approved scripts used for telephone fund raising.
- ► Require that contracts include good-faith projections of fund-raising expenses and revenues and require that solicitors submit revenue and expense reports to the non-profit organization at least once a month.

Seminars on Fund Raising Offered to Radio Stations

Officials of public radio stations will be offered an opportunity to learn how to attract big donations through a new program financed by the Corporation for Public Broadcasting.

The workshops, priced at $150 per person, will be offered by the Development Exchange, a nonprofit in Washington, D.C., that provides development and marketing training and resources to public radio stations. The group received a grant of $120,225 from the CPB to create the workshops.

In addition to the workshops, the Development Exchange will use the grant money to identify model major-giving programs at public radio stations, provide telephone advice on raising big gifts, and create a training handbook and video.

For more information, call or write Pamela Woolley at the Development Exchange, 1010 Vermont Avenue, N.W., Suite 516, Washington 20005; (202) 785-4321.

The Salvation Army's Christmas Fund Raising

	1990	1991
Christmas kettles	$46,929,499	$52,818,638
Mail donations	$87,098,932	$86,011,069
Other income	$15,387,050	$19,987,833
Total	$149,415,582	$159,180,540
Totals by Territory		
Central (11 states)	$38,992,987	$41,697,443
East (11 states)	$35,480,022	$35,442,602
South (15 states)	$43,428,668	$46,403,166
West (13 states)	$31,572,804	$34,640,329

SOURCE: The Salvation Army

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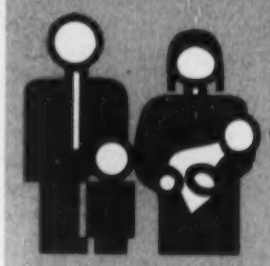

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charity like United Way, who *can* you trust? Like any other public charity, United Way has got to be publicly accountable."

He added: "Those of us who operate in the public trust have to hold ourselves to a higher public standard than just the law."

Several members of United Way of America's board said they were satisfied with the results of The Investigative Group's inquiry, which was conducted when the board first learned of the allegations about Mr. Aramony in December.

"There is no question, as Mr. Aramony has admitted, that he made errors in judgment with respect to modes of travel and lack of attention to some administrative detail," wrote one board member, Robert E. Allen, chief executive of the American Telephone and Telegraph Company, in a letter sent electronically to more than 100,000 AT&T managers last week. "The perception created by those poor judgments has been damaging to the institution and a disappointment to everyone associated with United Way."

According to Mr. Allen, the investigation "revealed neither impropriety, attempt to realize personal financial benefit, nor any intentional wrongdoing." He added: "My own observation of Mr. Aramony, during my tenure on the board, revealed a man who was fully and totally consumed by furthering the cause of United Way of America. I have never witnessed anyone so dedicated to the UWA's goals and mission."

John F. Akers, chairman of International Business Machines and of the United Way of America Board of Governors, met with staff members at United Way of America's headquarters in Alexandria, Va., last week. The purpose of the visit was to lend support to senior managers and staff, said Brian Doyle, an IBM spokesman.

'I Didn't Pay Enough Attention to Detail'

Mr. Aramony's resignation came less than two weeks after articles, first published in *The Washington Post* and *Regardie's*, a Washington business magazine, focused on his salary, benefits, and perquisites. The *Post* reported that Mr. Aramony had occasionally flown on the Concorde at United Way's expense and he had run up $20,000 in charges for limousine service in New York City. Reports also focused on several United Way spinoff organizations that were run by long-time associates of Mr. Aramony and by one of his sons, Robert. Two of the spinoffs have purchased condominium apartments, one in New York and one in Miami, that were used by staff members.

United Way of America has confirmed all of those facts but has denied any wrongdoing.

Discussing the controversy at a video teleconference for local United Way staff members and volunteers, Mr. Aramony acknowledged that "I didn't pay enough attention to detail, or to the way some of my actions could have been perceived or my personal style could have been perceived by people.

"I'm a mover and I get things done, but the price I paid for that was not enough attention to that detail."

He said during the teleconference that he planned to stay in his post until a successor was named. But when many local United Way leaders faxed letters and made phone calls demanding that he depart immediately, Mr. Aramony decided to leave the day after the teleconference.

Alan S. Cooper, a senior United Way executive, was named acting president on a temporary basis.

Thomas F. Frist, Jr., chairman of Hospital Corporation of America in Nashville, was named by the United

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Charity Chiefs Face a New Question: How Much Do You Make?

PRESS ACCOUNTS of William Aramony's $463,000 annual compensation package as president of United Way of America are forcing heads of many local United Ways and other charities to defend their own salaries.

Many officials of local United Ways charged that Mr. Aramony's salary was an inappropriate use of money donated by the public. But now local reporters are asking some of those same officials to disclose how much they are paid and what benefits and expense allowances they receive. United Way officials are also being asked whether the money would be better spent on charitable services.

While all non-profits are required by law to provide such information about their five highest-paid employees, few charity officials have previously been asked to reveal details about their salaries and perquisites.

"For the first time in our community, my salary was published in the newspaper, a picture of my home, and of a car that was provided by United Way," said Viney P. Chandler, executive director of Des Moines' United Way of Central Iowa, which raised $10.4-million last fall, a 2.5-per-cent increase from 1990.

Ms. Chandler predicted that her salary, which was $92,500 in 1990, would still be on the minds of many prospective donors when the United Way starts its fund-raising drive next fall. She said some critics of United Way have already promised they will do everything they can to make sure people are aware of how much she is paid.

Salaries at Large Charities

The Chronicle of Philanthropy has compiled a list of salaries and benefits for top executives at the 12 largest United Ways, as identified by United Way of America, and the 18 national non-profits with affiliates that generally receive the most money from United Ways—about 50 per cent of total funds allocated. The most recent salaries available are listed in the accompanying chart, below.

The highest-paid officials at these local United Ways generally receive more than their counterparts at the top national organizations that United Ways support. The average salary for the United Way executives included here was $179,648, compared with an average salary of $129,219 for the heads of the largest United Way beneficiaries.

Salaries at the largest local United Ways ranged

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Top Salaries at Biggest Local United Ways and at Charities That Get the Most From United Way

Organization	Top executive	Compensation	Contributions to employee benefit plans
Local United Ways			
Boston	Marian L. Heard, president	$125,000	n/a
Chicago	Virgil H. Carr, president	148,000	$4,603
Cleveland	Jack C. Costello, president	171,798	17,743
Detroit	H. Clay Howell, president	201,490	14,315
Los Angeles	Herbert Carter, president	190,000	19,100
New York City	Ralph Dickerson, Jr., president	243,333	20,553
Philadelphia	Ted L. Moore, president	182,442	12,769
Pittsburgh	William J. Meyer, president	132,432	7,976
St. Louis	Martin B. Covitz, president	175,500	28,721
San Francisco	Thomas Ruppanner, president	161,785	38,331
Tri State[1]	Betty Beene, president	228,000	32,067
Washington, D.C.	Oral Suer, executive vice-president	196,000	35,165
Charities That Receive the Most Aid From United Way			
American Red Cross	Elizabeth H. Dole, president[2]	$200,000	$5,000
Big Brothers/Big Sisters of America	Thomas M. McKenna, national executive director	95,628	8,607
Boy Scouts of America	Ben H. Love, chief scout executive	223,375	7,745
Boys & Girls Clubs of America	Thomas G. Garth, national director	160,000	n/a
Camp Fire Boys and Girls	K. Russell Weathers, national executive director	114,991	0
Catholic Charities USA	The Rev. Thomas J. Harvey, executive director	42,000	8,000
Child Welfare League of America	David S. Liederman, executive director	138,000	0
Council of Jewish Federations	Martin Kraar, executive vice-president	207,645	23,128
Family Service America	Geneva B. Johnson, president	127,583	n/a
Girl Scouts of the USA[3]	Mary Rose Main, national executive director	133,845	21,274
Girls Incorporated	Margaret Gates, national executive director	92,619	0
Goodwill Industries of America	David M. Cooney, president	155,709	16,710
National Mental Health Association	John H. Horner, president	110,000	360
National Urban League	John E. Jacob, president	150,000	n/a
Salvation Army[4]	James Osborne, national commander	14,222	n/a
United Neighborhood Centers of America[5]	Vacant	50,000	n/a
YMCA of the USA	David R. Mercer, national executive director	185,520	22,262
YWCA of the USA	Gwendolyn C. Baker, executive director	124,808	n/a

[1] A federation of 35 United Ways in New York, Connecticut, and New Jersey.
[2] Benefits figure is approximate. Salary effective in February 1992; served first year in office without pay.
[3] Figures are for eight months in 1990.
[4] Salary is shared by Mr. Osborne and his wife, Ruth, who is national president of the Salvation Army women's organizations. They received approximately $50,000 in total benefits, including salary, housing, and a car. Classified as a church by the Internal Revenue Service, the Salvation Army is not required to file an informational tax return.
[5] Salary is estimated amount that new executive director will get.

Source: IRS form 990's, individual charities

at all in choosing a successor. I think the worst thing you can do is choose your successor. . . .

Mr. Adams: The second part of that question—the word was used and let's put it right out there, healing—what's being done? What should be done?

Dr. Leffall: I think that what has to be done is those of us on the Board of Governors of United Way of America must speak out and let people know the great job that United Ways do. . . . If there have been some problems, we must address them forthrightly, dynamically, to be sure they're taken care of. . . .

Mr. Aramony: Healing begins with us individually. Healing begins within our own hearts. Healing begins with believing in our own mission and communicating that. . . .

John Jordan, Charleston, S.C.: We would also like to reiterate what Mr. Greenwood said but have one question, sir. He used the term, I think, "resignation." I thought you used the term "retirement." Would you please explain that as it will relate to Mr. Aramony's salary and benefits?

Mr. Aramony: Well, I will be retiring, and I will be receiving the same benefits—there's no golden parachute here—I'm receiving the same benefits as any person with the length of service and the time in service that I have. It's no different than anybody else. . . .

Jay Smith, Atlanta: I'm chair of the United Way board here in metro Atlanta and I've heard now about the changes in personnel policies regarding travel, the chief financial officer placed on leave, and a letter of retirement, all of which I applaud. What I've not heard, quite honestly, is an apology. Do you think, Mr. Aramony that we're owed one?

Mr. Aramony: Well, Jay, you absolutely are. I do apologize for any problems that my lack of sensitivity to perceptions has caused this movement, absolutely, and I do it happily and gladly to you and everybody else. . . .

Johnny Danos, Des Moines: As a volunteer, I certainly appreciate the difficulties the volunteer board has had. However, I'd like to make you aware that your message is not selling well here. I believe we are being seriously damaged by these allegations and this publicity. Some of your independent investigators sound more like PR people, and I'd like for you to clarify just who they are and what their ongoing role is.

The other question I have concerns the spinoff organizations. The response that they are for-profit and their information can't be disclosed sounds evasive. Would United Way of America consider ceasing doing business with these people if they will not disclose information?

We need full disclosure or we are going to be severely hurt in our marketplaces.

Mr. Bernhard: Let me try to answer the second part of the question first. In terms of seeking full disclosure, that is exactly what we are trying to do right now. It is why one of the Big Eight accounting firms has been asked to come in and take a look at both the for-profit entities. . . .

In terms of the investigative group, to the best of my knowledge they have not been involved with United Way previously. They're a very well-known investigative operation, both national and international. They were given no directions other than to find the facts. They were not told how to come out with a solution or a fixed and canned answer. It was an independent effort, and no one sought to control their investigation, which was widespread.

Candace Walton, Milwaukee: Could you address the second half of my first question, which was questioning the hiring practices, . . . and specifically . . . the hiring of and the positions that Bob Aramony has held with several United Way spinoff organizations and now as president of Sales Service?

Mr. Aramony: . . . I actually urged him not to take the job and that he would have been much better off working in the United Way field as a professional and doing his own career. He was prevailed upon by the volunteers. He actually took a one-third salary cut to take the job.

And the test of that is not that he carries my name, if you would. The test is whether he is qualified. He's run a United Way, and during his tenure of three years he doubled the results there. I'm not trying to justify him. . . . The test is the field, you in the country. If the service is not being provided through Sales Service, it's very simple: You do your business elsewhere or you ask his board to fire him.

Charity Chiefs Pressed on Their Salaries

Continued from Page 31

from $125,000 at United Way of Massachusetts Bay in Boston to $243,000 at United Way of New York City.

Leaders of the national non-profits that receive the most United Way money received salaries ranging from $14,222 at the Salvation Army to $223,375 at Boy Scouts of America.

Many of the salary and benefit figures were compiled from information provided in telephone interviews with non-profit officials. Reporters visited those non-profits that refused to provide the information over the phone. Under the law, non-profits must make available for inspection upon request their federal information tax returns, which include compensation and expense-account figures for top-paid officials.

Several non-profit officials bitterly complained about requests for salary information. Some, such as Geneva B. Johnson, president of Family Service America, said it was unfair to publish salaries and benefits of top executives without also including the size of each charity's budget to provide context.

David M. Cooney, president of Goodwill Industries of America, and others said their boards were in the best position to judge what salaries and benefits were appropriate, based on the requirements of their jobs.

—BRUCE MILLAR, JENNIFER MOORE, AND GRANT WILLIAMS

IN BRIEF: Managing

New Insurance Company Created for Non-Profits

Several state associations of non-profits have created an insurance company designed to provide charities nationwide with liability coverage at rates that are more stable and, in some cases, lower than those of commercial insurers.

The Nonprofits' Mutual Risk Retention Group will set rates based on indicators that it says most accurately predict the claims risk of charities. Those indicators might include a charity's policies for selecting and evaluating its board of directors or the number of clients it serves.

Commercial insurance companies generally do not differentiate between non-profit and for-profit enterprises when setting liability-insurance premiums. Yet non-profits have long maintained that they file fewer claims with insurance companies than for-profit companies do and that, as long as insurers do not set separate rates for charities, those groups are being overcharged. When liability-insurance rates have periodically soared, some non-profits have been unable to continue paying for coverage.

For more information, contact G. Wayne Harris, Risk Retention Management, 1800 Second Street, Suite 975, Sarasota, Fla. 34236; (800) 533-3097.

Symphony Halts Concerts Because of Money Woes

The Syracuse Symphony Orchestra has canceled all performances through August 31, due to sharp cuts in state government support and a steep decline in corporate contributions.

"We're out of cash," said marketing director Susan Schwartz. The symphony, she said, hopes that ticket holders will take a charitable tax deduction for the value of their tickets instead of seeking refunds.

It was unclear last week whether the board would be able to find enough money to keep a skeleton staff of five people, who had not been paid for more than three weeks. An additional 107 musicians and other employees have already been laid off.

The symphony, which had projected an operating budget of $5.5-million for 1992, ran into serious problems when $575,000 in state funds did not materialize after county and federal support had already been cut, said Ms. Schwartz. The recession, she added, has caused many companies to withdraw or reduce their support.

The symphony would face a deficit of more than $2-million by August if it stayed open, said Ms. Schwartz. But "it's not our intention to go out of existence," she said. "We have not gone bankrupt."

World Scouting Chief Backs Ban on Homosexuals

The secretary general of the World Organization of the Scout Movement, a Geneva-based body that represents Boy Scout organizations from 150 nations and territories, said that Scouting "actively discourages homosexuals" from being members and implied that allowing them to join would invite molestation.

"We don't pronounce ourselves on the pros and cons of homosexuality outside Scouting, but we strongly believe that our Scout youth should not be a hunting ground for homosexuals," Jacques Moreillon said.

Mark Clayton, a spokesman for the world organization, said later that Mr. Moreillon's statement "was in accordance with his understanding of the policy of the Boy Scouts of America" only. Mr. Clayton said that excluding gays "is not a policy of the world organization" or of Scout organizations in many countries.

Boy Scouts of America says that it bars homosexual members because they do not fit the requirements that members be "morally straight" and "clean." The threat of molestation is not an issue, a BSA spokeman said.

AWARDS

The following organizations and people have won awards for their philanthropic efforts:

Business management. The Business Enterprise Trust (Stanford, Cal.) presented its annual Lifetime Achievement Award to J. Irwin Miller, chairman of the Executive Committee at Cummins Engine Company (Columbus, Ohio), for his contributions to responsible business practices and social issues.

Community services. Philanthropic Initiative Inc. (Boston) has awarded six Boston-based neighborhood activists unrestricted grants of $15,000 over three years through its annual Boston Neighborhood Fellows Awards. The winners:

—Anne Burns, who works with women and children with AIDS.

—Gene F. Dalton, a former Boston police officer and current director of the Brooke House Multi-Service Center at Massachusetts Halfway Houses Inc.

—Karen Maund, adviser to the youth branch of the Boston National Association for the Advancement of Colored People.

—Judith McLaughlin, an advocate for mentally ill homeless people who was recently appointed to a state task force on the rights and needs of that population.

—Jaime Rodriguez, a long-time activist in Boston's Puerto Rican community who is currently working with Vietnam veterans suffering from post-traumatic stress disorder.

—Hanh Vinh Tran, senior program advocate for the Refugee Assistance Program of the State Department of Mental Health and a key developer of programs for local Asian young people.

Fund raising and philanthropy. The National Society of Fund-Raising Executives (Alexandria, Va.) has named the Lions Clubs International Foundation (Oak Brook, Ill.) as its 1992 Outstanding Philanthropic Organization. The NSFRE's Arkansas chapter nominated the organization for its local projects, including renovating and underwriting vocational programs for the Lions World Services for the Blind campus in Little Rock, Ark. Several other organizations and people also received NSFRE awards:

—Richard E. Hug (Arnold, Md.), a volunteer fund raiser for several local non-profit organizations, including the National Aquarium in Baltimore and Loyola College in Maryland, was named 1992 Outstanding Volunteer Fund Raiser.

—Jeanne B. Williams, president of Forbes Health Foundation (Pittsburgh), was named 1992 Outstanding Fund-Raising Executive of the Year.

—Alexander Brest (Jacksonville, Fla.), a long-time philanthropist whose accomplishments include developing the Alexander Brest Museum and Gallery and providing land and grants to the University of North Florida, was named 1992 Outstanding Philanthropist.

—Amoco Foundation (Chicago) was named 1992 Outstanding Foundation for its Volunteer Involvement Program and its contributions in the areas of education, neighborhood development, community service, health care, public policy, environmental conservation, and the arts.

—C&S Bank (Fort Lauderdale, Fla.) was named 1992 Outstanding Corporation for its community-involvement and charitable-giving programs in the Broward County, Fla., area.

—Henry A. Rosso and Associates was awarded the 1992 Staley/Robeson/Ryan/St. Lawrence Research Prize for the book *Achieving Excellence in Fund Raising*. Mr. Rosso is the founding director and director emeritus of the Fund Raising School at the Indiana University Center on Philanthropy. The prize carries a $2,000 award.

Public advocacy. The Tides Foundation (San Francisco) has awarded the annual Jane Bagley Lehman Award for Excellence in Public Advocacy to Peg Dobbie, executive director of the National Abortion Rights Action League of New Hampshire, and to James Monteith, chief executive officer of the Western Ancient Forest Campaign. Each award is accompanied by a grant of $5,000.

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OPINION

Commentary and Letters

At United Way, the Easy Way Out Wasn't Easy

By TANYA J. GLAZEBROOK

As he was announcing his retirement from the presidency of the United Way of America, William Aramony told thousands of the organization's staff members and volunteers, "I have been a social worker all my life."

I can only imagine the personal anguish that thousands of social workers across this country must have felt at that moment. Mr. Aramony began his career with social-work values deeply embedded in his soul and character, but he was forced to resign two weeks ago after press reports raised questions about his extravagant spending habits and management practices.

Somewhere along the climb to fame and fortune, Mr. Aramony lost the values of public service. Leadership is not just articulating values, but living them. When professional accomplishments became insufficient rewards, something must have snapped. Some of the nation's most respected and successful charities are now suffering from a major credibility crisis because of an absence of stewardship and an unchecked abuse of power.

What happened and why is simple to explain. How it happened is more complex.

MY VIEW

Some of the most respected and successful charities are suffering from a major credibility crisis because of an absence of stewardship and an unchecked abuse of power.

William Aramony should have enjoyed a much different legacy. He should have been remembered for making United Way a household name, for bringing a new level of professionalism and respect to the non-profit world and instilling it with a vision. Alas, that will not be his legacy. Love him or hate him, no one wanted the end to come this way because the effect has little to do with one man's legacy, but with an institution's loss of public confidence.

As United Ways across the country struggle with the day-to-day battle of damage control, they may have difficulty focusing on the opportunity this tragedy presents. To heal the organization, a cleansing process must occur and many questions must still be answered. Among them:

► How did the nation's best-known charity get out of control?

► Why, when the outcome was inevitable, was United Way of America so reluctant to take pre-emptive action?

► How did a grassroots, locally controlled, and largely volunteer-run organization that prides itself on pluralism, fair and open decision making, accountability, and empowerment come to rest in the hands of one man?

In part, this tragedy occurred because Bill Aramony began to believe his own press. He seemed to believe he *was* the United Way. The entire movement was his creation. He was the voice, the symbol, the image, the driving force, and spiritual leader of millions of people. He believed he could change the world for the better—all by himself. Such a mindset often overtakes leaders of all kinds of organizations, but it always leads to disaster.

United Way leaders around the country knew United Way of America was growing larger, more distant, and less responsive to their view of its role. The environment that once stimulated creativity had started to spurn it. The trade association that local United Ways relied on for advice and assistance had in recent years become less tolerant of differing views, insensitive to the depth of human hurt in the streets, and increasingly reliant on a small circle of Mr. Aramony's most trusted aides.

Although it was obvious that such an environment could foster abuses, local United Ways did little to prevent trouble. In an environment racked with abusive behavior, it is often not easy to act. It is sometimes professional suicide, often emotionally draining, and usually fruitless.

What's more, we have become a society of people who

LETTERS

What Corporate Support of the Arts Is All About

To the Editor:

I would like to respond to the letter of Marie C. Malaro regarding her ill-informed notion of what corporate sponsorship of artistic endeavors is all about ("The Real Issue in the IRS's Bowl-Game Ruling," Letters, February 11). Were she to escape from the protected and much-inbred Beltway, she might find that indeed the protection of cultural endeavors is paramount in the minds and efforts of those of us who seek corporate sponsors for the performing arts.

In the 10 years I have been seeking sponsors of performing-arts activities at Sangamon State University, I have never once allowed an aesthetic or curatorial decision to be influenced, to any degree whatsoever, by a potential sponsor. And I can tell you that in the field of presenting the performing arts, my colleagues share this point of view as a matter of principle.

Ms. Malaro ought to be advised to look to the real world of funding the performing arts and realize that budget balancing comes from working hard to juggle multiple resources including both private and public. Her description of a "third sector" in our society is naïve and as narrow-minded as her view that the world exists as either profit, or not. There is a delicate funding mix here, and any academic in a museum-studies program ought to get out of the classroom and see how her colleagues are suffering declining postal subsidies, a threatening IRS, narrow unrelated-business-income-tax definitions, strained economies, declining funding for the arts, and a horrific trend to intolerance of things different. Perhaps Marie, Ronald Reagan, and George Bush could band together and reverse this last decade of disastrous sliding to mediocrity that the latter two have precipitated. After cutting funding to the National Endowment for the Arts, the National Endowment for the Humanities, and the Institute of Museum Services, the same policy makers are now beginning to dismantle the underpinning authority that has allowed us to seek private support necessary to supplant government sources they have undermined. Marie is welcome anytime to come see how we're trying to hold it all together without selling our curatorial souls.

John Dale Kennedy
Director
University Auditorium
Sangamon State University
Springfield, Ill.

Charities' rights in an estate

To the Editor:

In a February 11, 1992 opin-

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